

Standards – Final December 2008

By the end of 12th grade, every student should have achieved the Financial Literacy Education (FLE) High School Standards. Schools may prepare their students to achieve the FLE High School Standards through instruction in [Business Education](#), [Family and Consumer Sciences](#), or other subject areas if those are not available. Professional development will be provided for those teachers who teach FLE, and teachers may utilize the standards-based teaching curriculum units provided by NEFE, FEFE, Jump\$tart, and other resources in the [Resource Index](#) in full or may select lessons and activities as a supplement to their own local curriculum.

The Indiana academic standards for financial literacy education are organized around six areas of study. The comprehensive content standards for each FLE area of study are presented below, followed by the High School Standard Indicators. Skills for thinking, inquiry, and application of these standards are integrated throughout.

1. [Financial Responsibility & Decision Making](#)
2. [Relating Income & Careers](#)
3. [Planning, Managing Money](#)
4. [Managing Credit & Debt](#)
5. [Risk Management & Insurance](#)
6. [Saving & Investing](#)

Core Standard 1. Financial Responsibility and Decision Making

Demonstrate management of individual and family finances by applying reliable information and systematic decision making.

Content Standards		High School Indicators	
1.1	Demonstrate taking responsibility for personal financial decisions.	12-1.1.1	Explain how individuals demonstrate responsibility for financial well-being over a lifetime.
		12-1.1.2	Analyze ways financial responsibility is different for individuals with and without dependents.
1.2	Analyze financial information from a variety of reliable sources.	12-1.2.1	Analyze financial information for objectivity, accuracy, relevancy to given needs, and currency.
		12-1.2.2	Investigate current types of consumer fraud, including online scams.
		12-1.2.3	Summarize factors to consider when selecting a financial planning professional or tax adviser.
1.3	Utilize consumer protection laws and resources.	12-1.3.1	Describe benefits of Indiana's consumer protection agency.
		12-1.3.2	Analyze consumer protection laws for the issues they address and the safeguards they provide.
		12-1.3.3	Demonstrate steps for resolving a consumer complaint.
1.4	Make financial decisions by systematically considering alternatives and consequences.	12-1.4.1	Set measurable short-term, medium-term, and long-term financial goals.
		12-1.4.2	Evaluate the results of financial decisions.
			Apply systematic decision making to long-term goals.
1.5	Demonstrate communication strategies for discussing financial issues.	12-1.5.1	Compare and contrast the benefits of sharing financial goals and personal finance information with a potential partner before forming a partnership.
		12-1.5.2	Describe essential elements of contract between individuals and between individuals and businesses.
1.6	Demonstrate strategies to control personal information.	12-1.6.1	Describe the actions a victim of identity theft needs to take to restore personal security.

Core Standard 2. Relating Income & Careers

Analyze how education, income, career, and life choices relate to achieving financial goals.

Content Standards		High School Indicators	
2.1	Describe how career choice, education, skills, entrepreneurship, and economic conditions affect income.	12-2.1.1	Analyze ways economic, social, cultural, and political conditions can affect income and career potential.
		12-2.1.2	Analyze the financial risks and benefits of entrepreneurship as a career choice.
2.2	Identify sources of personal income.	12-2.2.1	Define gift, rent, interest, dividend, capital gain, tip, commission, and business profit income.
		12-2.2.2	Describe ways people in the community can benefit from local government assistance programs.
2.3	Explain how taxes and employee benefits relate to disposable income.	12-2.3.1	Analyze typical employee benefits and explain why they are a form of compensation.
		12-2.3.2	Describe benefits of employer sponsored savings plans and other options for shifting current income to the future.

Core Standard 3. Planning, Managing Money

Manage money effectively by developing financial goals and budgets.

Content Standards		High School Indicators	
3.1	Demonstrate ability to use money management skills and strategies.	12-3.1.1	Create a budget a basic budget with categories for income, taxes, planned savings, and fixed and variable expenses.
		12-3.1.2	Demonstrate budgeting to manage spending and achieve financial goals.
3.2	Develop a system for keeping and using financial records.	12-3.2.1	Demonstrate use of a system to record income and spending for purchases, services, and taxes.
		12-3.2.2	Demonstrate recordkeeping that utilizes a financial institutions online account management system.
3.3	Analyze services of financial institutions.	12-3.3.1	Demonstrate skill in executing different payment methods, including cash, checks, stored-value cards, debit cards, credit cards, and electronic or online payment systems.
		12-3.3.2	Demonstrate skill in basic financial tasks, including bill payments, check writing, reconciling checking and debit account statements, and monitoring printed and online account statements for accuracy.
3.4	Apply consumer skills to purchase decisions.	12-3.4.1	Evaluate impact of external factors on spending decisions.
		12-3.4.2	Apply knowledge of external factors to justify a consumer buying decision.
		12-3.4.3	Compare the benefits and costs of owning a house versus renting a house.
3.5	Connect the role of charitable giving, volunteer service, and philanthropy to community development and quality of life.	12-3.5.1	Demonstrate budgeting financial and other resources to make contributions to a charitable organization.

3.6	Develop a personal financial plan.	12-3.6.1	Analyze ways to modify spending practices to achieve financial goals.
		12-3.6.2	Develop a personal financial plan that shows allocation of income, spending, saving/ investing, and sharing/giving over a year-long time span.
		12-3.6.3	Analyze a plan to secure funding for a financial goal.
3.7	Examine the purpose and value of estate planning.	12-3.7.1	Contrast a will, a "living will" and other ways an estate can be transferred.

Core Standard 4. Managing Credit & Debt

Manage credit and debt to remain both creditworthy and financially secure.

Content Standards		High School Indicators	
4.1	Analyze the costs and benefits of using various types of credit.	12-4.1.1	Calculate the cost of borrowing a set amount of money using various types of credit.
		12-4.1.2	Explain how grace periods, methods of calculating interest, and fees affect borrowing costs.
		12-4.1.3	Apply systematic decision making to identify the most cost-effective option for making a major purchase.
4.2	Analyze factors that influence establishing and maintaining a good credit rating.	12-4.2.1	Explain how a credit report affects creditworthiness and the cost of credit.
		12-4.2.2	Describe ways a negative credit report affect a consumer's financial future and steps to take to improve it.
4.3	Analyze methods and benefits of avoiding or correcting credit and debt problems.	12-4.3.1	Describe debtors' and creditors' rights related to wage garnishing and repossession when an overdue debt is not paid.
		12-4.3.2	Describe possible consequences of excessive debt.
4.4	Analyze major consumer credit laws	12-4.4.1	Analyze online and printed resources for up-to-date information about consumer credit rights.

Core Standard 5. Risk Management & Insurance

Analyze the features of insurance, its role in balancing risk and benefits in financial planning.

Content Standards		High School Indicators	
5.1	Analyze the nature of personal financial risk and the importance of protecting against financial loss.	12-5.1.1	Describe ways people can manage risk through avoidance, reduction, retention, and transfer.
		12-5.1.2	Analyze various insurance policies according to their deductibles.
5.2	Analyze the need for and value of various types of insurance across stages of the life cycle.	12-5.2.1	Analyze the amount of coverage a person needs for health, property, life, disability, and liability insurance.
		12-5.2.2	Compare the costs of auto insurance for the same vehicle, given two different deductibles and two different liability coverage limits.
		12-5.2.3	Analyze factors that can reduce or increase insurance costs.
5.3	Apply concepts related to financial risk, protection from loss, and financial planning.	12-5.3.1	Compare various programs that provide financial assistance for income loss due to illness, disability, or premature death.
		12-5.3.2	Recommend insurance that protects one from the risks a young adult might face.

Core Standard 6. Saving & Investing

Analyze saving and investing to build long-term financial security and wealth.

Content Standards		High School Indicators	
6.1	Explain how saving contributes to financial wellbeing.	12-6.1.1	Compare saving strategies, including "pay yourself first," payroll deduction, and comparison shopping to spend less.
		12-6.1.2	Compare the interest generated by simple and compound interest at various rates.
6.2	Apply strategies for creating wealth and building assets.	12-6.2.1	Compare various investing strategies for their potential to build wealth.
		12-6.2.2	Analyze an investment utilizing the principles of time value of money.
		12-6.2.3	Calculate the end value of lump sum and periodic investments.
6.3	Compare investment alternatives.	12-6.3.1	Analyze the benefits of various investments options in the current economy.
		12-6.3.2	Analyze an investment utilizing principles of inflation.
6.4	Describe how to buy and sell investments.	12-6.4.1	Compare advantages and disadvantages of buying and selling investments through various channels, including financial advisors, investment clubs, and online brokers.
		12-6.4.2	Compare the investment objectives and historical rates of return of various stocks and mutual funds.
6.5	Analyze factors that affect the rate of return on investments.	12-6.5.1	Analyze the rate of return on investments using time value of money and economic conditions as factors.
		12-6.5.2	Calculate the amount of taxes on investments and income tax-free earnings.
6.6	Analyze how agencies that regulate financial markets protect investors.	12-6.6.1	Analyze risk to various deposits base on deposit insurance.
		12-6.6.2	Identify additional services and benefits of the Indiana Securities Commission and other federal and state regulators.